

## R8 TREASURER

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### Goals

Region 8 Treasurer is chief financial officer of Region 8 Committee, responsible for financial management of the Region 8 activities, for conducting financial operations, and for maintaining financial records of the Region to the standards required by IEEE. Specific responsibilities include:

- Leading R8 Finance Committee (FC).
- Preparation of an annual budget for R8 in co-operation with R8 OpCom and FC.
- Monitoring R8 budgets and providing OpCom and R8 Committee with periodic budget reports.
- Maintaining R8 financial records and making these records available for inspection by FC and auditors.
- Reimbursement of authorized travel and other expenses. Checking that the claims comply with IEEE and R8 policies.
- Operating R8 bank payment system through which reimbursements, contract payments, awards, grants, purchases, etc. are being paid.
- Negotiating and managing contracts with hotels, restaurants, and other service providers for the Region 8 major events (e.g. R8 Committee and OpCom Meetings, SYP Congresses). Ensuring that contracts are compliant with IEEE requirements and that reasonable economies are made.
- Supporting R8 GEO Units with their financial reporting and the usage of IEEE financial systems.
- Annual financial reporting in compliance with IEEE regulations.

### Status

The R8 Treasurer workload has increased substantially in 2022, both because of much increased activities in the Region as well as due to the new IEEE NextGen financial system, which forced us to abandon the existing R8 financial management system based on Sage accounting. The R8 Treasurer team includes now two new Assistant Treasurers: Andreas Koltes and Pascal Lorenz, who are starting to take responsibility for some aspects of the financial operations of the Region.

Financial operations of the Region are being adapted to the new IEEE NextGen system, which is a challenge as NextGen is still work-in-progress. The R8 Treasurer has been actively involved in that work and has made important contributions to two central committees: IEEE AdHoc on NextGen Volunteer Adoption and IEEE Conference Finance Committee.

Almost all the expense claims in R8 are being processed through Concur now. However, there are some countries in Region 8 for which traditional spreadsheet claim form still needs to be used.

Current Region 8 financial operations include the following main components:

1. IEEE CB bank account in USA.
2. Three NatWest bank accounts in UK (in USD, EUR, GBP).
3. IEEE NextGen Banking system to execute transactions using CB account. The R8 budget coding system has been implemented. Mostly used for transfers within the CB system.
4. NatWest Bankline payment system to execute transactions using NatWest accounts.
5. IEEE NextGen Reimbursement system (Concur). The R8 budget coding system has been implemented. Majority of individual claims are being processed using Concur now. Two approvers have been fully implemented for each claim.
6. Documentation related to transactions in a fully electronic format.
7. A new spreadsheet-based budget reporting system has been developed.

*The Summary Financial Report for 2022 is presented in Attachment A.*

*The current financial status of the Region 8 will be presented in a separate financial report at the meeting.*

### Outlook

Except for the Concur reimbursement system, the implementation of the new IEEE NextGen financial system has not gone smoothly. The system has many problems and is user unfriendly, which has been recognized by IEEE leadership now. The R8 Treasurer has contributed to identification of these problems as a member of IEEE ConFinCom. More recently, he has become a member of IEEE AdHoc on NextGen Volunteer Adoption, which has been formed to address the main so called “pain points” with NexGen. The action plan for some NextGen improvements has been formed until the end of

2022. There is hope that the system improvements will be fully completed in 2023. In the meantime, we shall have to cope with various challenges by using system under development.

The Concur will continue as the main reimbursement claim system, as it provides benefits in terms of usability, claim processing time and transaction costs.

The work on the new local financial system to replace Sage has started and is to include Assistant Treasurers in the R8 financial operations. It is hoped to be completed in 2023, when the status of NextGen is settled.

*The planning process and the current details of the Budget 2023 are presented in Attachment B. Further details will be provided in the report at the meeting.*

#### **Points of Concern**

Serious issues have been identified by the R8 Treasurer team with recording Concur expenses in NextGen Banking, including incorrect currency conversion rates and doubling of records. In two cases, the misinterpretation of the comma sign in Concur claim led to the expense records being multiplied by a 1000.

A side effect of Concur is that every single line of expense is recorded as a separate transaction in NextGen Banking. Therefore, the number of transactions in the accounts is about 10 times larger now than it used to be with the traditional spreadsheet claim form. Direct import of these transactions from NextGen Banking into the Sage accounting system, previously used by Region 8, has not been possible. Manual entry of a few thousand transactions is not an option either. Therefore, while waiting for the upgrade to NextGen, we have developed the automated spreadsheet based financial reporting system, which greatly simplifies producing R8 budget reports.

#### **Other Issues to report**

# ATTACHMENT 1 – BUDGET 2022 REPORT

## Region 8 Summary of Revenue 2022 (registered in bank accounts)

Income Nominal Code	Actual (\$) 31/12/2022	Budget (\$) 2022
0100 - Income: Balance/savings carried forward from previous year	698,004	698,004
0110 - Income: Regional Assessment: Membership Dues Element	489,941	482,493
0120 - Income: Rebate: MGA Allocation for Region Management	175,651	175,721
0130 - Income: Interest received: Bank accounts	6,452	4,112
0140 - Income: From Conference Co-sponsorship	16,490	12,995
0180 - Income: R8 SYP Registrations, Sponsorship	53,639	
0190 - Income: Other (*)	44,977	0
0210 - Income: Voluntary Contributions: Member Donations (**)	94,001	11,428
0220 - Income: Support for Members outside of Sections	0	0
0230 - Income: Support from Organisations	1,992	0
0240 - Income: Support for Projects	3,706	0
0700 - Income: R8 as Intermediary	9,300	0
<b>Income Total</b>	<b>1,594,153</b>	<b>1,384,753</b>

### Notes:

(\*) One-off transfer of \$44,977 from Assessment to CB account

(\*\*) Includes \$82,573 one-off transfer from Donations to CB account

## Region 8 Summary of Expenses 2022

Expenses: Nominal Code	Actual (\$) 31/12/2022	Budget (\$) 2022
1000 Committee general Total	-623,642	837,660
2000 Region 8 Director Total	-37,478	75,500
3000 Region 8 Director-Elect Total	-1477.21	8,000
4000 Region 8 Past-Director Total	-10,874	8,000
5000 Vice Chair for Technical Activities Total	-73,961	147,620
6000 Vice Chair for Member Activities Total	-37,883	133,950
7000 Vice Chair for Student Activities Total	-43,426	83,250
8000 Region 8 Secretary Total	-2,162	8,700
9000 Region 8 Treasurer Total	-8,609	14,560
9100 Expenses from previous year Total	-18,604	62,000
<b>Budget Expenses Total</b>	<b>-858,117</b>	<b>1,379,240</b>
<b>Balance: Income-Expenses</b>	<b>\$736,036</b>	<b>\$521,123</b>
Accruals from 2022 to 2023 (estimate)	(\$134,500)	
One-off Transfer from Donations to CB account	(\$82,573)	
One-off Transfers from Assessment to CB account	(\$44,977)	
<b>Operational Surplus 2022</b>	<b>\$473,986</b>	

The budget plans have been realized only in about 62% due to the difficulties to reach full recovery after the Covid pandemic. These plans are still viable and at least some of them will be implemented in 2023.

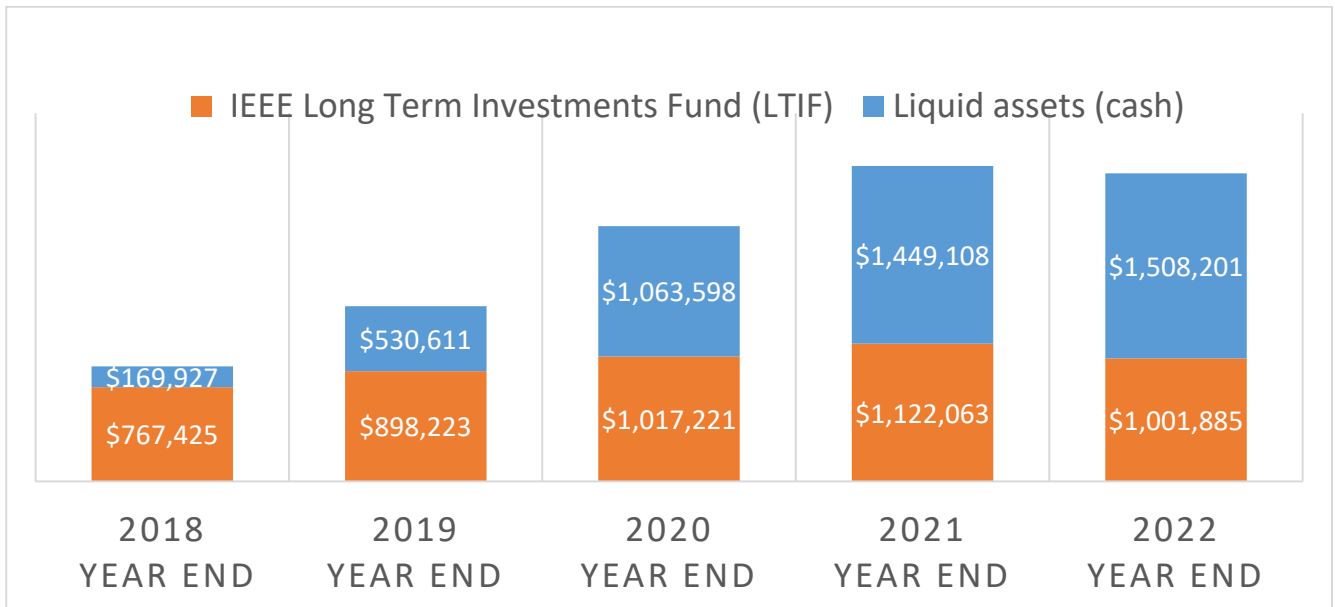
## Region 8 Financial Position End 2022

ACCOUNT (\$)	31/12/2021	31/12/2022
IEEE Custody Banking REGION 8	1,174,260	1,417,120
NatWest REGION 8 USD ACCOUNT	85,600	82,722
NatWest REGION 8 EURO ACCOUNT	45,521	6,272
NatWest REGION 8 GBP ACCOUNT	1,319	2,087
Regional Assessment Account REGION 8	65,695	0
Donations Account REGION 8	76,714	0
<b>Liquid assets (cash)</b>	<b>1,449,108</b>	<b>1,508,201</b>
IEEE Long Term Investments Fund (LTIF)	1,122,063	1,001,885
<b>Total assets</b>	<b>2,571,171</b>	<b>2,510,086</b>

### Notes:

- All funds from Assessment and Donations accounts transferred to CB account, which brings profit due to the CB bank paying interest rate.
- 4.1% increase in liquid assets but -10.7% drop in LTIF value.
- Overall -2.4% in Total assets.

## Comparison With Previous Years



# ATTACHMENT 2- BUDGET 2023

## Initial Budget 2023 Plan- Income

The Initial Budget 2023 Plan was based on the assumption that the Region 8 Actual Income will be the same in 2023 as it was in 2022 and that 50% of the Operational Surplus from 2022 can be transferred to New Initiatives in 2023. The tables below show the calculations for the R8 Budget Income 2023:

**Table 1**

<b>BUDGET 2023 INCOME FOR EXISTING ACTIVITIES</b>	<b>ACTUAL INCOME 2022</b>	<b>SAVINGS/LOANS FROM 2022</b>
Actual Revenue 2022	1,594,153	
Less non-repeatable revenue and transfers	-894,191	
Return of Loans Repayable		4,409
1130 - Section Congress (savings towards)		90,000
<b>ESTIMATED SUB-TOTAL 2023</b>	<b>699,961</b>	<b>94,409</b>
<b>TOTAL BUDGET INCOME 2023 AVAILABLE FOR EXISTING ACTIVITIES</b>	<b>794,370</b>	

**Table 2**

<b>BUDGET 2023 ACCRUAL EXPENSES FROM 2022</b>	<b>ACCRUALS FROM 2022</b>
1020, 1040 - R8C Travel	30,000
1060 - R8 News: Mailing and Production	30,000
5030 - MD and CC Workshop Glasgow (50%)	25,000
5040 - PEA Activities (Robots Malta, STEM)	5,000
6020 - MD and CC Workshop Glasgow (50%)	25,000
7020 - SAC Funding	1,500
7040 - SAC Training (Antalya)	18,000
<b>9100 - TOTAL EXPENSES FROM PREVIOUS YEAR</b>	<b>134,500</b>

**Table 3**

<b>BUDGET 2023 INCOME FOR NEW ACTIVITIES</b>	<b>ACTUAL 2022</b>	<b>ACCRUALS 2023</b>
Budget balance 31/12/2022 (Income-Expenses)	736,036	
Less Accruals		-134,500
Less one-off transfers to liquid assets		-127,550
<b>OPERATIONAL SURPLUS 2022</b>	<b>473,986</b>	
<b>50% OPERATIONAL SURPLUS 2022 TOWARDS 2023 SPECIAL NEW ACTIVITIES</b>	<b>236,993</b>	

**Table 4**

<b>BUDGET 2023 INCOME SUMMARY</b>	<b>\$</b>
Existing Activities	794,370
New Initiatives	236,993
Accruals from 2022	134,500
<b>TOTAL AVAILABLE</b>	<b>1,165,863</b>

## Initial Budget 2023 Plan- Expenses

The available Budget 2023 Income has been distributed between the main budget lines in approximately the same proportion as in R8 Budget 2022. The resulting Budget proposal is shown below:

**Table 5**

IEEE Region 8 Budget 2023 Allocation Proposal v4 Revised March 2023					
Nominal Code	Budget (\$) 2022	Existing Activities	New Initiatives	Total	Budget vs 2022
1000 Committee general Total	837,660	602,578	172,090	774,668	92%
2000 Region 8 Director Total	75,500	32,785	11,094	43,880	58%
3000 Region 8 Director-Elect Total	8,000	6,557	2,219	8,776	110%
4000 Region 8 Past-Director Total	8,000	6,557	2,219	8,776	110%
5000 Vice Chair for Technical Activities Total	147,620	50,817	17,196	68,013	46%
6000 Vice Chair for Member Activities Total	133,950	49,178	16,642	65,819	49%
7000 Vice Chair for Student Activities Total	83,250	36,883	12,481	49,365	59%
8000 Region 8 Secretary Total	8,700	4,098	1,387	5,485	63%
9000 Region 8 Treasurer Total	14,560	4,918	1,664	6,582	45%
9100 Expenses from previous year Total	62,000	134,500	0	134,500	217%
<b>Budget Expenses Total</b>	<b>1,379,240</b>	<b>928,870</b>	<b>236,993</b>	<b>1,165,864</b>	<b>85%</b>

## Initial Budget 2023 Proposals

Initial budget proposals have been submitted by the main budget holders according to the budget allocation proposal in Table 5.

The main issue raised by the main budget holders has been budget reductions when compared with 2022. For the Technical, Membership and Student activities the budgets have been reduced to about 50%. There have been many New Initiatives planned for these activities in the Budget 2022, which unfortunately have not been realized due to the difficulties with post-covid recovery. Our volunteers would like to implement these initiatives, but additional funds are required.

## Request to use Operational Surplus

In order to fulfill activities planned for 2023, Region 8 requests from MGA to be able to use 50% + \$150,000 Operational Surplus in the Budget 2023. The total requested is \$386,993, which corresponds to 82% of the Operational Surplus.